APPENDIX I.

The Triple Agreements.

A Trust Agreement of 1917, with The Cleveland Trust Company as title holder, (R. 2700) was terminated on March 7, 1922, (R. 2726), and superseded by a declaration of trust (R. 2680), dated March 7, 1922. The trustee, Cleveland Trust, was granted the right to sue for infringement (R. 2682), and that (R. 2684):

"2. It shall be the policy of the Trustee in the conduct of the trust to endeavor or induce or require all who use the patented inventions or improvements belonging to this trust to recognize the Letters Patent relating thereto."

There was a provision for distribution of shares of beneficial interest (R. 2686-7) and Bohn Corp. secured such an interest (R. 1586), as did also Nelson (R. 1304). There was also provided a reserve for litigation of $7,000.00 to $25,000.00 (R. 2689).

The Cleveland Trust license to Bohn Corp. (R. 2664) covered "structural" piston patents, as distinguished from patents dependent upon the "material" of the piston or their "processes" of production. There was a limit of permissible production set (R. 2665) with a penalty of ten cents per piston for any excess (R. 2675); however, there was no production limit if Bohn Corp. did not produce the "so-called controlled type" which, as defined, (R. 2665) was the Berry piston. The Aluminum Company license to Bohn Corp. contained like provisions (R. 2733, 2740). The Bohn Corp. license to Aluminum Company was for the production of the "so-called controlled type" piston (R. 2745). Here the royalty was based upon the extent that Aluminum Company restricted itself and its licensees, with no royalties payable up to five million pistons, but with twenty cents per piston on the excess of these "so-called controlled type" (R. 2747-8). Here there was a price fixing provision penalizing Bohn Corp., as well as Aluminum Company, to the extent of thirty-five cents per piston (R. 2757) and Den Uhl of Bohn Corp. admitted that this price

fixing was in effect until 1931 (R. 1607). This license really restricted production to Aluminum Company and Bohn Corp. (R. 2756), who divided the field in the production of this piston.[6]

The triple licenses specifically obligated the licensor to sue for infringement (R. 2666, 2750), or in the alternative that payment of royalties would cease (R. 2741); however, the licensee was given the right to sue in two of the licenses (R. 2667, 2750). Aluminum Company excluded alloys but not heat treatments from its license to Bohn Corp. (R. 2739); but Bohn Corp. purchased its alloys from Aluminum Company and has a license on heat treatment (R. 1596).

The triple licenses were all entered into on the same day, namely, October 12, 1927, and at that time Bohn Corp. was manufacturing and selling the Packard narrow strut piston and had been since May 11, 1926, (Fds. 5, 7, R. 2086). This is one of the pistons which Judge Tuttle simply deemed (R. 2115) "a good job of hitching the struts to the skirt segments" of the Berry piston; while the Court of Appeals simply found (R. 2884) "a distinction without a difference", an "immaterial difference", and that "the accused struts performed the equivalent function of the struts of Berry".

The Aluminum Company patents covered broadly a chill cast aluminum piston and a process and apparatus for casting them in permanent molds; see Aluminum Company vs. Sterling Company, (66 F. (2d) 598, C. C. A. 8); and that was the only practical way to cast them (R. 1464). They were not finally held invalid until July 18, 1933, in the case cited. Other patents of Aluminum Company were alleged to cover broadly the chill casting of aluminum-silicon alloys, with and without other alloying constituents; Aluminum Company vs. Thompson Products Company, 122 F. (2d) 796; and such patents were not finally held invalid until October 9, 1941.

---

[6] There was later, January 1, 1929, a very limited license by Bohn Corp. to Aluminum Industries (R. 2762) with a very small maximum production of 500,000 pistons at a royalty of two cents per piston (R. 2766), but with the same penalties for excess production (R. 2763) and violations of price restrictions (R. 2707).

The Cleveland Trust patents constituted an imposing series, and they are included in this record and were before this Court in the Piston Cases, 305 U. S. 47 and 311 U. S. 211. The principal ones were the following: Spillman & Mooers, 1,092,870, expired April 14, 1931, with its broad claims (R. 2190); the Franquist patent 1,153,902, expired September 21, 1932, with its broad claim 7 (R. 2194); the Schmiedeknecht patent 1,256,265 (R. 2397), expired February 12, 1935, held invalid October 6, 1939; the Maynard patent 1,655,968 (R. 2213), expiring January 10, 1945, held invalid October 6, 1939; the Jardine patent 1,763,523 (R. 2206), expiring June 10, 1947, but held invalid December 5, 1940; the Gulick patent (R. 2198) 1,815,733, expiring July 21, 1948, and held invalid on October 6, 1939.

The Bohn Corp.'s license to Aluminum Company lists (R. 2773) the Nelson single strut patents, and it will be noted that the first four of these patents are listed on defendant's blue-print of the narrow strut (R. 2162); of the wide strut (R. 2164), and of the Autothermic (R. 2166), which blue-prints bear dates from 1927 to 1936.

Berry testified positively that the patent situation did deter him commercially. Townhill, who is with Thompson Products, one of Berry's sub-licensees, testified that his company was not making any web type piston, because of a Court decision; Townhill's testimony was before the second decision of this Court in the Piston Case, 31 U. S. 211, on December 9, 1940. The other licensee, Sterling Products, surrendered its license on May 3, 1938 (R. 2820), which was after the first decision of the Court of Appeals in the Piston Case, 92 F. (2d) 330, October 8, 1937, and before the first decision of this Court, 305 U. S. 47, November 7, 1938.